

# House File 2492 - Introduced

HOUSE FILE \_\_\_\_\_  
BY PAULSEN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act related to tax credits for community-based seed capital  
2 investments by increasing the aggregate amount of tax credits  
3 available and making the credits transferable.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 6165YH 82  
6 tw/nh/24

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1 1 Section 1. Section 15E.43, subsections 4 and 5, Code  
1 2 Supplement 2007, are amended to read as follows:  
1 3 4. The aggregate amount of tax credits issued pursuant to  
1 4 this division shall not exceed a total of ~~ten~~ fifteen million  
1 5 dollars. The total amount of tax credits issued during the  
1 6 fiscal year beginning July 1, 2002, shall not exceed three  
1 7 million dollars. The total amount of tax credits issued  
1 8 during the fiscal year beginning July 1, 2003, shall not  
1 9 exceed three million dollars. The total amount of tax credits  
1 10 issued during the fiscal year beginning July 1, 2004, shall  
1 11 not exceed four million dollars. Any amount of the maximum  
1 12 aggregate limit of tax credits that have not been issued by  
1 13 June 30, 2005, may be issued in any subsequent fiscal year.  
1 14 Not more than three million dollars of tax credits may be  
1 15 issued in any one subsequent fiscal year.  
1 16 5. A tax credit shall not be redeemed during any tax year  
1 17 beginning prior to January 1, 2005. ~~A tax credit shall not be~~  
~~1 18 transferable to any other taxpayer.~~

1 19 Sec. 2. Section 15E.43, Code Supplement 2007, is amended  
1 20 by adding the following new subsection:  
1 21 NEW SUBSECTION. 5A. a. After verifying the eligibility  
1 22 of a qualifying business pursuant to section 15E.44 for a tax  
1 23 credit pursuant to this section, the department of economic  
1 24 development shall issue a seed capital investment tax credit  
1 25 certificate to be attached to an equity investor's tax return.  
1 26 The tax credit certificate shall contain the taxpayer's name,  
1 27 address, tax identification number, the amount of credit, the  
1 28 name of the qualifying business, any other information  
1 29 required by the department of revenue, and a place for the  
1 30 name and tax identification number of a transferee and the  
1 31 amount of the tax credit being transferred.  
1 32 b. The tax credit certificate, unless rescinded by the  
1 33 board, shall be accepted by the department of revenue as  
1 34 payment for taxes imposed pursuant to chapter 422, divisions  
1 35 II, III, and V, and in chapter 432, and for the moneys and  
2 1 credits tax imposed in section 533.329, subject to any  
2 2 conditions or restrictions placed by the board upon the face  
2 3 of the tax credit certificate and subject to the limitations  
2 4 of this section.  
2 5 c. Tax credit certificates issued under this section may  
2 6 be transferred to any person or entity. Within ninety days of  
2 7 transfer, the transferee shall submit the transferred tax  
2 8 credit certificate to the department of revenue along with a  
2 9 statement containing the transferee's name, tax identification  
2 10 number, and address, and the denomination that each  
2 11 replacement tax credit certificate is to carry and any other  
2 12 information required by the department of revenue.  
2 13 d. Within thirty days of receiving the transferred tax  
2 14 credit certificate and the transferee's statement, the  
2 15 department of revenue shall issue one or more replacement tax  
2 16 credit certificates to the transferee. Each replacement tax  
2 17 credit certificate must contain the information required for  
2 18 the original tax credit certificate and must have the same  
2 19 expiration date that appeared in the transferred tax credit

2 20 certificate. Tax credit certificate amounts of less than the  
2 21 minimum amount established by rule of the department of  
2 22 economic development shall not be transferable.  
2 23 e. A tax credit shall not be claimed by a transferee under  
2 24 this section until a replacement tax credit certificate  
2 25 identifying the transferee as the proper holder has been  
2 26 issued. The transferee may use the amount of the tax credit  
2 27 transferred against the taxes imposed in chapter 422,  
2 28 divisions II, III, and V, and in chapter 432, and against the  
2 29 moneys and credits tax imposed in section 533.329, for any tax  
2 30 year the original transferor could have claimed the tax  
2 31 credit. Any consideration received for the transfer of the  
2 32 tax credit shall not be included as income under chapter 422,  
2 33 divisions II, III, and V, under chapter 432, or against the  
2 34 moneys and credits tax imposed in section 533.329. Any  
2 35 consideration paid for the transfer of the tax credit shall  
3 1 not be deducted from income under chapter 422, divisions II,  
3 2 III, and V, under chapter 432, or against the moneys and  
3 3 credits tax imposed in section 533.329.

3 4 Sec. 3. Section 15E.44, subsection 4, Code Supplement  
3 5 2007, is amended by striking the subsection.

3 6 EXPLANATION

3 7 This bill relates to investment tax credits for  
3 8 community-based seed capital funds.

3 9 The bill increases the total aggregate amount of tax  
3 10 credits allowed from \$10 million to \$15 million.

3 11 The bill also makes the investment tax credits transferable  
3 12 from one taxpayer to another.

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